

INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB-05/12/13-1554

ELECTIONS, UNIT: HRVAE #13

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on December 13, 2005, and recorded in Instrument # 06-0000162 at the Office of the Clerk of Circuit Court, Buchanan County, Virginia on January 12, 2006, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a) The Board Order directed Hard Rock Exploration, Inc., (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;

(b) The designated operator filed its affidavit of mailing dated March 22, 2006, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated August 25, 2006, in accordance

with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;

- (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, Corporate Trust, PA 1328, 123 South Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Rachel Rafferty, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
- 3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust, PA 1328, 123 South Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Rachel Rafferty, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
- 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
- 5. <u>Conclusion:</u> Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 19 day of September, 2006 by a majority of the Virginia Gas and Oil Board.				
Chairman, Benny R. Wampler				
DONE AND PERFORMED THIS 1973 day of September, 2006 by Order of this Board.				
B. R. Wilson Principal Executive to the Staff Virginia Gas and Oil Board				
STATE OF VIRGINIA) COUNTY OF washing to				
Acknowledged on this 9 day of September, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.				
Dane Jack's Notary Public				
My commission expires: 9/35/09.				
STATE OF VIRGINIA) COUNTY OF Washington				
Acknowledged on this 19 day of september, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.				
Diane J. Davis Notary Public				
My commission expires: 9/30/09				

Exhibit B HRVAE #13

Tract	Lessor		Lease Status	Interest Within Unit	Gross Acreage <u>In Unit</u>
1	C.L. Ritter Lumber Box 700 Huntington, WV 25		Leased	36.74%	41.40
2	Bull Creek Coal Co Virginia Limited Pa Box 187 Tazewell, VA 2465	artnership	*Unleased	7.37%	8.31
*	Leased Through:	900 Penns P.O. Box	n, WV 25362-007	0	
3	Bull Creek Coal Co Virginia Limited Pa Box 187 Tazewell, VA 2465	artnership	*Unleased	0.80%	0.90
*	Leased Through:	900 Penns P.O. Box (Charlestor	te Appalachia LLC ylvania Avenue 5070 a, WV 25362-0070 Gas Lessee		
4	C.L. Ritter Lumber Box 700 Huntington, WV 25		Leased	21.30%	24.00
5	Carol Combs Irvin 4710 Hunterwood C Richmond, TX 774		**Unleased	0.2436%	0.2747
	Frederick Harman C 318 East Fincastle Tazewell, VA 2465		**Unleased	0.2436%	0.2746
	Martha Ellen Comb P.O. Box 1404 Abingdon, VA 242		**Unleased	0.2436%	0.2746

Exhibit B HRVAE #13

Tract		<u>Lessor</u>		Lease Status	Interest Within Unit	Gross Acreage <u>In Unit</u>
P.C		Knox Creek Coal Con P.O. Box 519 Raven, VA 24369	npany	Unleased	4.386%	4.944
		Mountain Mission Sch 1 Hurley Street Grundy, VA 24614	nool	**Unleased	1.0965%	1.236
		Gaynell Street Fowler of Fletcher Boyd Fow Drawer 901 Grundy, VA 24614		Unleased	1.0965%	1.236
**	Leased	Through:	CNX Gas Cor c/o John C. Ir 4710 Hunterw Richmond, TX	vin, Agent rood Circle		
13660 B		Mary E. Buston Book 13660 Brynwood Lan Ft. Myers, FL 33912		*Unleased	13.24%	14.92
		James G. Buston II 1511 Tudor Lane Richmond, VA 2323	5	*Unleased	13.24%	14.92
*	Leased	Through:	900 Pennsylva P.O. Box 6070	V 25362-0070		
TOTA	L GAS E	ESTATE			100%	112.69
		Init Leased Init Unleased			58.04% 41.96%	
	ge in Unit	t Leased t Unleased				65.40 47.29

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of Hard Rock Exploration Inc., for Forced Pooling of Interests in Unit Number HRVAE #13 VGOB Docket No. VGOB-05/12/13-1554 in the Rocklick Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

- 1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
- 2. That the Order entered on January 10, 2006 by the Virginia Gas and Oil Board regarding the captioned Conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
- 3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
- 4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on January 12, 2006.
- 5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

Tract	Lessor	Elected
*2	Bull Creek Coal Company a, Virginia Limited Partnership Box 187 Tazewell, VA 24651	Participation

Tract	Lessor	Elected	
*3	Bull Creek Coal Company a, Virginia Limited Partnership Box 187 Tazewell, VA 24651	Participation	
*6	Mary E. Buston Booker 13660 Brynwood Lane S.E. Ft. Myers, FL 33912	Participation	
	James G. Buston II 1511 Tudor Lane Richmond, VA 23235	Participation	
Leased Through:	Chesapeake Appalachia LLC 900 Pennsylvania Avenue P.O. Box 6070 Charleston, WV 25362-0070 *Oil & Gas Lessee		
**5	Carol Combs Irvin 4710 Hunterwood Circle Richmond, TX 77469	Participation	
	Frederick Harman Combs II 318 East Fincastle Tazewell, VA 24651	Participation	
	Martha Ellen Combs P.O. Box 1404 Abingdon, VA 24212	Participation	
	Mountain Mission School 1 Hurley Street Grundy, VA 24614	Participation	
Leased Through:	CNX Gas Company L c/o John C. Irvin, Age 4710 Hunterwood Circ Richmond, TX 77469	nt cle	

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown or/unlocatable.

NONE

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

TRACT	LESSOR	CASH CONSIDERATION
5	Knox Creek Coal Company P.O. Box 519 Raven, VA 24369	4.944 X \$5.00 = \$24.72
	Gaynell Street Fowler, Trustee of Fletcher Boyd Fowler Trust Drawer 901 Grundy, VA 24614	1.236 X \$5.00 = \$6.18

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this

day of

2006.

Affiant

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Taken, subscribed and sworn to before me by James E. Kaiser, the	e Agent of Hard Rock
Exploration Inc., a corporation, on behalf of the corporation, this	25th day of
Cluyest, 2006.	
My commission expires: 11-12-08 1988 Sustantial	EDISTATE OF
Notary Notary	OF OF Z

VIRGINIA: was this day pres	In the Clerk's Office of the sented in the office aforesaid	Circuit Court of Buchanar	n County. The foregoing instrument
admitted to reco	ord this \(\frac{0}{\text{total}} \) day of \(\frac{1}{\text{total}} \) by \(\frac{587.1-802}{\text{total}} \) of the Code f	Septembu	tificate of acknowledgment annexed,
Deed Book No.	Dana Page No.		
Returned to:	PININC	TESTE:	James M. Bevins, Jr., Clerk Deputy Clerk